

Government
Information
Technology
Agency

**Statewide
Standard**

P340-S340 Rev 1.0

**TITLE: Project Investment
Justification (PIJ)**

Effective Date: April 1, 2003

1. AUTHORITY

The Government Information Technology Agency (GITA) shall develop, implement and maintain a coordinated statewide plan for information technology (A.R.S. § 41-3504(A (1))), including, adopting statewide technical, coordination, and security standards (A.R.S. § 41-3504(A (1(a)))).

2. PURPOSE

This standard establishes criteria for activities associated with the Statewide Project Investment Justification (PIJ) process for the State of Arizona.

3. SCOPE

This applies to all budget units. Budget unit is defined as a department, commission, board, institution or other agency of the state organization receiving, expending or disbursing state funds or incurring obligations of the state including the board of regents and the state board of directors for community colleges but excluding the universities under the jurisdiction of the board of regents and the community colleges under their respective jurisdictions and the legislative or judicial branches (A.R.S. § 41-3501(2)).

The Budget Unit Chief Executive Officer (CEO), working in conjunction with the Budget Unit Chief Information Officer (CIO), shall be responsible for ensuring the effective implementation of Statewide Information Technology Policies, Standards, and Procedures (PSPs) within each Agency.

This standard applies to the following items::

- A. All IT projects with development costs of at least \$25,000 undertaken by the BUs;
- B. All IT investments or acquisitions of at least \$25,000 undertaken by the BUs; and
- C. All IT requests made by the BUs for disposition of special funds maintained by GITA.

4. STANDARD

The standard establishes the criteria for PIJ review, approval, BU notification, and subsequent project monitoring.

- 4.1. GITA Oversight Staff shall administer the Project Investment Justification (PIJ) process.

- A. The PIJ document is the statewide standard form used by BUs to submit projects or investments to GITA and the Information Technology Authorization Committee (ITAC) for approvals, as specified by Statewide Policy P340.
 - B. The PIJ template is maintained by GITA Oversight Staff and available to BUs at <http://gita.state.az.us/downloads>.
 - C. See Attachment A: *Project and Investment Justification Information Flow*, for a high level overview of the PIJ review process.
- 4.2. GITA Oversight Staff shall evaluate each completed PIJ document for the following, at a minimum:
- A. Presence of authorization signatures.
 - B. Completeness of content, including a description of need and objective.
 - C. Accuracy of scope, including a description of costs, alternatives, plan, and source of funds.
 - D. If the document is not complete or accurate, GITA Oversight Staff shall return it to the submitting BU.
 - i. The BU shall be notified in writing of the discrepancies identified during review.
 - ii. The BU may resubmit a corrected document at its convenience or withdraw the PIJ from further consideration.
- 4.3. GITA Oversight Staff shall evaluate the proposed project or investment in accordance with Statewide Procedure S340-P340 to determine the following, at a minimum:
- A. Conformance with BU IT Strategic Plans.
 - B. Conformance to Statewide Policies and Standards.
 - C. Reasonability of the business solution and alternative solutions.
 - D. Feasibility of technology.
 - E. Conformance with Statewide Enterprise Architecture.
 - F. Presence of achievable goals, value to the public and the State.
 - G. Substantiation of development costs (see Attachment B: *Cost Factors Table*).
- 4.4. To provide strategic, objective, and impartial analysis of the PIJ and proposed technical solution, GITA Oversight Staff will, at a minimum:
- A. Recognize the submitting agency's authority and responsibility to select technology deemed most appropriate to its business needs, provided the proposed solution conforms to Statewide Policies and Standards.
 - B. When possible, make technical recommendations that do not specifically identify any vendor by name.
 - C. When necessary and appropriate, recommend alternate technical solutions for agency evaluation.

- 4.5. GITA Oversight Staff shall further evaluate proposed IT projects and investments valued at \$100,000 or more for the following, at a minimum:
 - A. Measurable major deliverables.
 - B. Availability of technical expertise.
 - C. Adequacy of life cycle analysis and cost.
 - D. Specific funding timeline and source.
 - E. Acceptable overall risks.
 - F. Presence of an explicit connectivity diagram.
- 4.6. GITA Oversight Staff shall further evaluate proposed IT projects and investments valued over \$1 million for the following, at a minimum:
 - A. Project Management Timeline.
 - B. Recognizable and acceptable risks.
 - C. Feasibility of the project plan.
- 4.7. GITA Oversight Staff shall issue a project summary report, as described in Statewide Procedure S340-P340, for each PIJ. The report shall contain a recommendation to approve, approve with conditions, or disapprove the project.
- 4.8. Following review and disposition by the GITA Director and/or ITAC, GITA Oversight Staff shall prepare a letter to the BU Director as described in Statewide Procedure S340-P340. The letter shall include the project's disposition and be transmitted by the GITA Director.
- 4.9. GITA Oversight Staff shall monitor and conduct periodic reviews as specified in Statewide Standard P340-S343 on IT projects that are considered to be major or critical. The review may evaluate efficiencies in the areas of planning, scheduling, and execution, including examination of project expenditures and activity reports.

5. DEFINITIONS AND ABBREVIATIONS

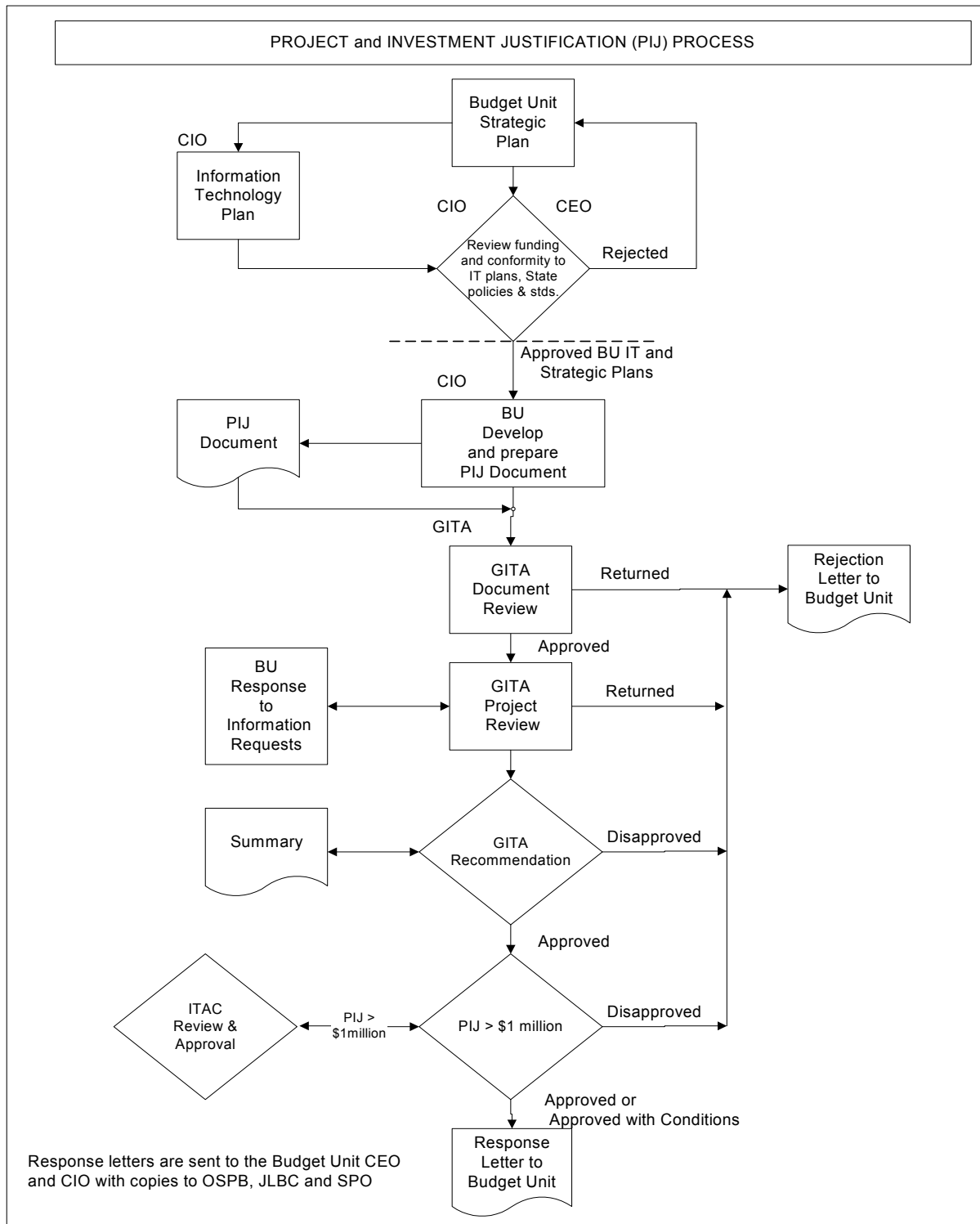
Refer to the PSP Glossary of Terms for definitions and abbreviations. More information can be found at the GITA website located at gita.state.az.us.

6. REFERENCES

- 6.1. A. R. S. § 41-621 et seq., "Purchase of Insurance; coverage; limitations, exclusions; definitions."
- 6.2. A. R. S. § 41-761 et seq., "Personnel Administration."
- 6.3. A. R. S. § 41-1335 ((A (6 & 7))), "State Agency Information."
- 6.4. A. R. S. § 41-1339 (A), "Depository of State Archives."
- 6.5. A. R. S. § 41-2501 et seq., "Arizona Procurement Codes, Applicability."
- 6.6. A. R. S. § 41-2553, "Procurement of Information Systems and Telecommunications Systems."

- 6.7. A. R. S. § 41-3501, "Definitions."
 - 6.8. A. R. S. § 41-3504, "Powers and Duties of the Agency."
 - 6.9. A. R. S. § 41-3521, "Information Technology Authorization Committee; members; terms; duties; compensation; definition."
 - 6.10. A. R. S. § 41-7041, "Governmental Electronic Records."
 - 6.11. Arizona Administrative Code, Title 2, Chapter 5.
 - 6.12. Arizona Administrative Code, Title 2, Chapter 7.
 - 6.13. Arizona Administrative Code, Title 2, Chapter 10.
 - 6.14. Arizona Administrative Code, Title 2, Chapter 18.
 - 6.15. Statewide Information Technology Policy P100.
 - 6.16. Statewide Policy P340, Project Investment Justification (PIJ).
 - 6.17. Statewide Procedure S340-P340, Project Investment Justification (PIJ).
- 7. ATTACHMENTS**
- A. Project and Investment Justification Information Flow
 - B. Cost Factors Table

Attachment A. Project and Investment Justification Information Flow



Attachment B. Cost Factors Table

Cost Factors Table

<i>Cost classifications</i>						
E. Operating Costs (Statewide PSP P340)						
D. Vendor Costs (A.R.S. 41-2553)						
C. Investment (Statewide PSP P340)						
B. Developmental Costs (Also Total State Cost, Total Project Cost) (Statewide PSP P340) (A.R.S. 41-2553) (A.R.S. 41-3504)						
A. Total Life Cycle Cost (Also Life Cycle Analysis) (A.R.S. 41-2553) (A.R.S. 41-3504)						
<i>Components</i>	A	B	C	D	E	
Hardware - new or upgrade	X	X	X	X		
Hardware - maintenance	X				X	
Software - new and upgrade	X	X	X	X		
Software - maintenance	X				X	
Transportation	X	X	X	X		
Vendor Support	X	X	X	X		
On going Maintenance	X				X	
Material	X	X	X	X		
Energy - construction	X	X	X			
Energy - ongoing	X				X	
Facilities - construction	X	X	X			
Facilities - ongoing	X				X	
Personnel - development	X	X				
Personnel - operations	X				X	
Financial	X	X	X	X	X	
Instrumentalities	X	X	X	X		
Apparatus	X	X	X	X		
Consulting	X	X				
Training - startup	X	X	X	X		
Training - ongoing	X				X	
Integration	X	X				
Transmission and reception of messages - construction	X	X	X			
Transmission and reception of messages - ongoing	X				X	
Lease/Purchase	X	X				